

Regular Session, 2003

SENATE BILL NO. 828

BY SENATOR BOISSIERE

GAMING. Authorizes slot machine gaming at an eligible live horse racing facility in Orleans Parish and specifies fund dedications in St. Landry and Bossier Parishes.

1 AN ACT

2 To amend and reenact R.S. 27:353(4), 361(C), 363, and 392(B)(3)(a), (b), and  
3 (c)(i), and to enact R.S. 27:372.1 and 392(B)(3)(d), relative to Pari-  
4 mutuel Live Racing Facility Economic Redevelopment and Gaming  
5 Control Act; to provide with respect to slot machine gaming at live  
6 racing facilities; to authorize slot machine gaming at an eligible facility  
7 in Orleans Parish; to create the Bossier Parish Truancy Program Fund;  
8 to provide with respect to the allocation of revenue from facilities in  
9 certain parishes; to provide for the authority of the Gaming Control  
10 Board to approve, execute, and implement an amendment of the casino  
11 operating contract and issue or modify regulatory approvals related  
12 thereto; to provide limitations on the number of slot machines operated  
13 at an eligible facility in Orleans Parish; and to provide for related  
14 matters.

15 Notice of intention to introduce this Act has been published.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 27:353(4), 361(C), 363, and 392(B)(3)(a), (b), and (c)(i) are hereby amended and reenacted and R.S. 27:372.1 and 392(B)(3)(d) are hereby enacted to read as follows:

§353. Definitions

When used in this Chapter, the following terms shall have these meanings:

\* \* \*

(4) "Eligible facility" means no more than one facility in St. Landry Parish, Bossier Parish, **Orleans Parish**, and Calcasieu Parish at which the Louisiana State Racing Commission has licensed the conduct or at which the commission has approved the future licensing of the conduct of not less than eighty days within a consecutive twenty-week period each year of live horse race meetings.

\* \* \*

§361. Conduct of slot machine gaming; temporary conduct

\* \* \*

C.**(1)** An application may be approved by the board only after the electorate in the parish in which the eligible facility is located or, is proposed to be located, as provided for in Subsection D of this Section, has approved the conduct of slot machine gaming at such facility at an election, as provided in Part III of this Chapter.

**R.S. 27:361(C)(2) is all proposed new law.**

(2) In addition to the requirements of Paragraph (1) of this Subsection, an application for an eligible facility in Orleans Parish may be approved by the board only after the Amended and Renegotiated

Casino Operating Contract entered into pursuant to R.S. 27:201 et seq., on October 30, 1998, as amended, effective October 19, 1999, March 29, 2001, and March 31, 2001, has been further amended to provide that the inclusion, licensing, or operation of an eligible facility in Orleans Parish shall not constitute an Exclusivity Violation or prohibited land-based gaming as defined in such contract, as amended, following approval of such amendment by the Joint Legislative Committee on the Budget as required by the provisions of Subsection B of Section 3 of Act No. 1 of the First Extraordinary Session of 2001.

\* \* \*

§363. Suitability standards

\* \* \*

**R.S. 27:363(C) is all proposed new law.**

C.(1) The applicant must have a good faith plan to recruit, train, and upgrade minorities in all employment classifications.

(2) It shall be required by the owners, to provide the maximum practical opportunities, for participation by the broadest number of minority-owned businesses. Such offering of participation by owners to the disadvantaged business enterprises who qualify under the provision of this Chapter, shall be at a price not to exceed the price paid per share or interest paid by the ownership interests.

(3) The legislature hereby further directs that the written policies, procedures, and regulations shall provide for the inclusion of businesses owned by minorities to the maximum extent practicable.

(4)(a) All businesses or vendors selected by the eligible facility for any purpose shall strictly adhere to the nondiscrimination policies

1 and practices embodied in applicable federal, state, and local law.

2 (b) Any business, vendor, and/or contractor selected by the  
3 eligible facility to operate slot machine gaming contemplated herein  
4 shall, as nearly as practicable, employ minorities consistent with the  
5 population of the state.

6 \* \* \*

7 §372.1. Limitations on the number of slot machines operated at an  
8 eligible facility in Orleans Parish

9 **R.S. 27:372.1 is all proposed new law.**

10 A. Notwithstanding any provision of law to the contrary, a  
11 license issued by the board to conduct slot machine gaming at an  
12 eligible facility in Orleans Parish shall be subject to the following  
13 limitations regarding the number of slot machines which may be  
14 operated at the eligible facility:

15 (1) On or after July 1, 2003, the eligible facility shall be  
16 authorized to have a maximum of three hundred slot machines at the  
17 eligible facility.

18 (2) On or after July 1, 2004, the eligible facility shall be  
19 authorized to have a maximum of four hundred slot machines at the  
20 eligible facility.

21 (3) On or after July 1, 2005, the eligible facility shall be  
22 authorized to have a maximum of five hundred slot machines at the  
23 eligible facility.

24 (4) At any time after July 1, 2005, in the event the gross gaming  
25 revenues of the casino gaming operator as defined in R.S. 27:205(5)  
26 exceed three hundred fifty million dollars for any preceding twelve-

month period, the eligible facility shall be authorized to have a maximum of seven hundred slot machines.

B. Notwithstanding the provisions of Subsection A of this Section if the Amended and Renegotiated Casino Operating Contract entered into on October 30, 1998, as previously amended effective October 19, 1999, March 29, 2001, and March 31, 2001, is terminated and the state of Louisiana does not become a party to any other casino operating contract as defined in R.S. 27:205(6) which contains exclusivity provisions in accordance with R.S. 27:201 et seq., the eligible facility located in Orleans Parish shall not be limited to a fixed number of slot machines which may be placed in the designated gaming area provided for in R.S. 27:372.

C. An eligible facility located in Orleans Parish shall be subject to all licensing requirements and limitations provided by this Chapter in addition to the provisions of this Section.

\* \* \*

#### §392. Collection and disposition of fees and taxes

\* \* \*

B.(1) \* \* \*

\* \* \*

(3) After complying with the provisions of Paragraphs (1) and (2) of this Subsection, the state treasurer shall, each fiscal year, credit five percent of the state portion of taxable net slot machine proceeds collected from each licensed eligible facility to the following special funds:

(a) ~~The Bossier Educational Excellence Fund in Bossier Parish~~

1       ~~from the proceeds derived from the licensed eligible facility in Bossier~~  
2       ~~Parish.~~ **(i) The Bossier Parish Truancy Program Fund, which is**  
3       **hereby created in the state treasury from the proceeds derived**  
4       **from the licensed eligible facility in Bossier Parish. Monies in the**  
5       **Bossier Parish Truancy Program Fund, for purposes of this**  
6       **Subparagraph referred to as the "fund", shall be withdrawn only**  
7       **pursuant to appropriation by the legislature and shall be used**  
8       **solely and exclusively by the district attorney in the Twenty-Sixth**  
9       **Judicial District to support a truancy program and truancy related**  
10       **matters within the Twenty-Sixth Judicial District.**

11               **(ii) Monies in the fund shall be invested by the state**  
12       **treasurer in the same manner as monies in the state general fund.**  
13       **Interest earned on investment of monies in the fund shall be**  
14       **credited to the fund. Unexpended and unencumbered monies in**  
15       **the fund at the end of each fiscal year shall remain in the fund.**

16               (b)(i) The St. Landry Parish Excellence Fund in St. Landry  
17       Parish which is hereby created in the state treasury **from proceeds**  
18       **derived from the licensed eligible facility in St. Landry Parish.**  
19       Monies in the St. Landry Parish Excellence Fund, for purposes of this  
20       Subparagraph referred to as the “fund”, shall be withdrawn only  
21       pursuant to appropriation by the legislature and shall be used solely and  
22       exclusively by the St. Landry School Board **and the Louisiana**  
23       **Community and Technical College System** as provided in this  
24       Subparagraph. **Monies in the fund shall be used solely and**  
25       **exclusively for the construction and operation of a Career and**  
26       **Technology Center to be located in St. Landry Parish. The Career**

1        **and Technology Center shall serve secondary and postsecondary**  
2        **students and shall provide occupational and workforce training.**  
3        **All courses of instruction provided at the Career and Technology**  
4        **Center shall be approved by the Board of Supervisors of**  
5        **Community and Technical Colleges.**

6                **(ii)** Monies in the fund shall be invested by the state treasurer in  
7        the same manner as monies in the state general fund. Interest earnings  
8        on investment of monies in the fund shall be credited to the fund.  
9        Unexpended and unencumbered monies in the fund at the end of each  
10       fiscal year shall remain in the fund. ~~The principle in the fund may not~~  
11       ~~be appropriated. Interest earnings may be appropriated, but only for~~  
12       ~~enhancements to the education program in St. Landry Parish.~~

13                (c)(i) The Calcasieu Parish Excellence Fund, in Calcasieu Parish  
14       which is hereby created in the State treasury, **from the proceeds**  
15       **derived from the licensed eligible facility in Calcasieu Parish.**

16       Monies in the Calcasieu Parish Excellence Fund, for purposes of this  
17       Subparagraph referred to as the “fund”, shall be withdrawn only  
18       pursuant to appropriation by the legislature. Monies in the fund shall  
19       be invested by the state treasurer in the same manner as monies in the  
20       state general fund. Interest earnings on investment of monies in the  
21       fund shall be credited to the fund. Unexpended and unencumbered  
22       monies in the fund at the end of each fiscal year shall remain in the  
23       fund.

24                                \*           \*           \*

25       **R.S. 27:392(B)(3)(d) is all proposed new law.**

26                (d) The Orleans Parish Excellence Fund in Orleans Parish

1           which is hereby created in the state treasury from the proceeds derived  
2           from the licensed eligible facility in Orleans Parish. Monies in the  
3           Orleans Parish Excellence Fund, for purposes of this Subparagraph  
4           referred to as the "fund", shall be withdrawn only pursuant to  
5           appropriation by the legislature and shall be used solely and exclusively  
6           by the Orleans Parish School Board and the Louisiana Community and  
7           Technical College System as provided in this Subparagraph. Monies  
8           in the fund shall be used solely and exclusively for the construction and  
9           operation of an Allied Health and Nursing Program and campus to be  
10          located in Orleans Parish. The Allied Health and Nursing Program and  
11          campus shall serve secondary and postsecondary students and shall  
12          provide occupational and workforce training. All courses of instruction  
13          provided at the Allied Health and Nursing Program shall be approved  
14          by the Board of Supervisors of Community and Technical Colleges.  
15          Monies in the fund shall be invested by the state treasurer in the same  
16          manner as monies in the state general fund. Interest earnings on  
17          investment of monies in the fund shall be credited to the fund.  
18          Unexpended and unencumbered monies in the fund at the end of each  
19          fiscal year shall remain in the fund.

20   \*       \*       \*

21          Section 2. In addition to the authority provided in R.S. 27:245(A), the  
22          board is expressly authorized to approve, execute, and implement an  
23          amendment to any of the provisions of the Amended and Renegotiated Casino  
24          Operating Contract entered into on October 30, 1998, as previously amended  
25          effective October 19, 1999, March 29, 2001, and March 31, 2001, consistent  
26          with the provisions of this Act and to issue or modify any regulatory provisions



1 or approvals related thereto, following approval of such amendment by the  
2 Joint Legislative Committee on the Budget as required by the provisions of  
3 Subsection B of Section 3 of Act No. 1 of the First Extraordinary Session of  
4 2001. The exercise of this authority shall not be subject to or limited by the  
5 provisions of R.S. 27:25 and 26, or any of the provisions of the Administrative  
6 Procedure Act.

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The original instrument was prepared by Camille A. Sebastien.  
The following digest, which does not constitute a part of the  
legislative instrument, was prepared by Riley Boudreaux.

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Boissiere (SB 828)

DIGEST

Present law authorizes the conducting of slot machine gaming at eligible horse racing facilities.

Present law defines an "eligible facility" as no more than one facility in St. Landry Parish, Bossier Parish, and Calcasieu Parish at which the Louisiana State Racing Commission has licensed the conduct or at which the commission has approved the future licensing of the conduct of not less than 80 days within a consecutive 20-week period each year of live horse race meetings.

Proposed law includes a facility in Orleans Parish.

Proposed law provides for nondiscrimination policies.

Present law provides that an application may be approved by the board only after the electorate in the parish in which the eligible facility is located or, is proposed to be located, has approved the conduct of slot machine gaming at such facility at an election.

Proposed law retains this provision of present law and further provides that an application for an eligible facility in Orleans Parish may be approved by the board only after the Amended and Renegotiated Casino Operating Contract entered into pursuant to R.S. 27:201 et seq., on October 30, 1998, as amended, effective October 19, 1999, March 29, 2001, and March 31, 2001, has been further amended to provide that the inclusion, licensing, or operation of an eligible facility in Orleans Parish shall not constitute an Exclusivity Violation or prohibited land-based gaming as defined in such contract, as amended, following approval of such amendment by the Joint Legislative Committee on the Budget as required by the provisions of Subsection B of Section 3 of Act No. 1 of the 2001 1st Extraordinary Session of the Legislature.

Proposed law further provides that a license issued by the board to conduct slot machine gaming at an eligible facility in Orleans Parish shall be subject to the

following limitations regarding the number of slot machines which may be operated at the eligible facility:

- (1) On or after July 1, 2003, the eligible facility shall be authorized to have a maximum of 300 slot machines at the eligible facility.
- (2) On or after July 1, 2004, the eligible facility shall be authorized to have a maximum of 400 slot machines at the eligible facility.
- (3) On or after July 1, 2005, the eligible facility shall be authorized to have a maximum of 500 slot machines at the eligible facility.
- (4) At any time after July 1, 2005, in the event the gross gaming revenues of the casino gaming operator exceed \$350 million for any preceding 12-month period, the eligible facility shall be authorized to have a maximum of 700 slot machines.

Proposed law provides that if the casino operating contract is terminated and the state of Louisiana does not become a party to another casino operating contract which contains exclusivity provisions that the eligible facility shall not be subject to a limitation on the number of slot machines which may be placed in the designated gaming area.

Proposed law provides that the board is expressly authorized to approve, execute, and implement an amendment to any of the provisions of the Amended and Renegotiated Casino Operating Contract entered into on October 30, 1998, as previously amended effective October 19, 1999, March 29, 2001, and March 31, 2001, consistent with the provisions of proposed law and to issue or modify any regulatory provisions or approvals related thereto, following approval of such amendment by the Joint Legislative Committee on the Budget as required by the provisions of Subsection B of Section 3 of Act No. 1 of the 2001 First Extraordinary Session. Excepts authority from R.S. 27:25 and 26 or any provisions of the APA.

Present law provides that the state treasurer shall, each fiscal year, credit 5% of the state portion of taxable net slot machine proceeds collected from each licensed eligible facility to the following special funds:

- (1) The Bossier Educational Excellence Fund.
- (2) The St. Landry Parish Excellence Fund.
- (3) The Calcasieu Parish Excellence Fund.

Proposed law specifies that the 5% credited to a fund in each parish is taken from the proceeds derived from the licensed facility in that parish.

Proposed law changes the dedication in Bossier Parish from the Bossier Educational Excellence Fund (BEEF) to the Bossier Parish Truancy Program Fund, to be withdrawn pursuant to appropriation by the legislature and used solely by the district attorney in the Twenty-Sixth Judicial District to support a truancy program and truancy related matters within the Twenty-Sixth Judicial

District. Interest earned on investment of fund money is credited to the fund and unexpended and unencumbered money remains in the fund at the end of the fiscal year.

Present law dedicates the money in the St. Landry Parish Excellence Fund for the use of the St. Landry School Board.

Proposed law includes the Louisiana Community and Technical College System as well as the school board in using the money in the fund solely for the construction and operation of a Career and Technology Center in St. Landry Parish to serve secondary and postsecondary students and provide occupational and workforce training. All courses of instruction at the center must be approved by the Board of Supervisors of Community and Technical Colleges. Authorizes appropriation of fund principle.

Proposed law adds the Orleans Parish Excellence Fund as a recipient of 5% of the proceeds from the proposed facility in that parish. The Orleans Parish School Board and the Louisiana Community and Technical College System may use the money solely for the construction and operation of an Allied Health and Nursing Program and campus in the parish to serve secondary and postsecondary students and provide occupational and workforce training. All courses of instruction provided in the program must be approved by the Board of Supervisors of Community and Technical Colleges. Interest earned on investment of fund money is credited to the fund and unexpended and unencumbered money remains in the fund at the end of the fiscal year.

(Amends R.S. 27:353(4) and 361(C), 363, and 392(B)(3)(a), (b), and (c)(i); adds R.S. 27:372.1 and 392(B)(3)(d))

#### Summary of Amendments Adopted by Senate

##### Committee Amendments Proposed by Senate Committee on Judiciary B to the original bill.

1. Requires an applicant to have a good faith plan to recruit, teach, and upgrade minorities in all employment classifications and to provide maximum opportunities for participation by the broadest number of minority-owned businesses.
2. Further requires that all businesses and vendors selected by an eligible facility adhere to nondiscrimination policies and practices and employ minorities consistent with the population of the state.
3. Amends St. Landry Parish Excellence Fund to provide for vocational-technical high school curriculum.

##### Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the engrossed bill.

1. Changes the dedication in Bossier Parish from the Bossier Educational Excellence Fund (BEEF) to the Bossier Parish

Truancy Program Fund used by the district attorney of the 24th Judicial District.

2. Changes the dedication of the St. Landry Parish Excellence Fund from providing a vocational-technical high school program and curriculum to including the Louisiana Community and Technical College System as well as the school board in using money in the fund to construct and operate a Career and Technology Center in the parish. Authorizes appropriation of fund principle.
3. Changes the dedication of the Orleans Parish Excellence Fund from providing a vocational-technical high school program and curriculum to authorizing the Orleans Parish School Board and the Louisiana Community and Technical College System to use money in the fund to construct and operate an Allied Health and Nursing Program and campus in the parish.
4. Specifies that the 5% credited to a fund in each parish is taken from the proceeds derived from the licensed facility in that parish.